

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link-Up)	WC Docket No. 03-109

COMMENTS OF IRIDIUM SATELLITE LLC

I. INTRODUCTION

Iridium Satellite LLC (“Iridium”) hereby submits these comments in response to the FCC’s proposal to reform and modernize the Lifeline and Link Up programs.¹ Iridium stands firmly behind the important, public interest goals that these programs serve,² and it urges the Commission to remain mindful of the critical role satellite offerings can play in meeting those goals while controlling the overall size of the universal service fund. For many consumers, satellite services are a true lifeline—providing their only option for everyday and emergency communications. For these and millions of other low-income Americans, satellite offerings are also the most efficient and affordable solution for their communications needs. Therefore, the FCC should adopt rules that allow low-income consumers a meaningful opportunity to use Lifeline and Link Up discounts to receive satellite services.

¹ See *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, CC Docket No. 96-45, WC Docket No. 03-109, Notice of Proposed Rulemaking, FCC 11-32 (rel. Mar. 4, 2011) (“NPRM”).

² As stated in the NPRM, these programs facilitate the affordability of basic telecommunications service for millions of low-income consumers by providing discounts on monthly telephone charges and the costs of commencing telecommunications service. NPRM at ¶ 16.

Incorporating satellite providers into the FCC's Lifeline and Linkup programs can also help the FCC achieve its goals of reducing inefficiency, increasing competition, and closing the gap in adoption rates—particularly in rural areas, Tribal lands, and other places where it is expensive for terrestrial providers to serve. To seize this opportunity, the FCC must adopt rules that are truly technologically and competitively neutral. It must move away from a regime that favors any one technology and towards a system that ensures equal treatment of different communications platforms—including satellite technology.

II. DISCUSSION

The NPRM seeks comment on the fundamental question of how to control the size of the low-income fund while continuing to serve the FCC's universal service mission—namely, ensuring the availability of affordable, high-quality communications services for all Americans.³ Satellite offerings can play a unique role in helping the FCC achieve this balance.

As noted in both the NPRM and the FCC's National Broadband Plan, unconstrained growth in the fund will jeopardize universal service by increasing the contribution burden on American consumers, thereby discouraging adoption and use.⁴ The size of the low-income program alone has grown significantly in recent years, from \$667 million in 2000 to \$1.3 billion in 2010.⁵ USAC projects that the low-income program fund will rise to \$1.5 billion in 2011.⁶

³ NPRM at ¶¶ 142-49 (seeking comment on how to constrain the size of the low-income fund).

⁴ NPRM at ¶ 142; *see also* FCC, *Connecting America: The National Broadband Plan* at 149-50 (rel. March 17, 2010) ("National Broadband Plan").

⁵ NPRM at ¶ 143.

⁶ *See* UNIVERSAL SERVICE ADMINISTRATIVE COMPANY, QUARTERLY ADMINISTRATIVE FILINGS FOR 2011, SECOND QUARTER (2Q), at 16 (filed Jan. 31, 2011) (available at <http://www.usac.org/about/governance/fcc-filings/2011/quarter-2.aspx>).

At the same time, the NPRM recognizes that more work must be done to extend affordable service to all low-income consumers.⁷ Telephone penetration rates for low-income consumers trail the national average by a significant margin,⁸ and the gap has not narrowed in recent years.⁹ Moreover, the gap is even more pronounced for low-income consumers living on Tribal lands than it is in other portions of the country.¹⁰

To balance the FCC's goal of maintaining and expanding service with its need to control the size of the fund, the NPRM focuses almost exclusively on a proposal to cap the size of the Lifeline and Link Up programs.¹¹ It does not expressly refer to the cost-savings that satellite offerings bring to these programs. Therefore, Iridium urges the Commission to remain mindful of the important role satellite offerings can play in achieving this balance.

As both the FCC and commenters have repeatedly recognized, satellites are often the most cost-effective means of serving areas that are expensive to serve with terrestrial offerings.¹² The National Broadband Plan stated that “[s]atellite has the advantage of being both ubiquitous and having a geographically independent cost structure, making it particularly well suited to serve high-cost, low-density areas.”¹³ The National Broadband Plan further noted the importance of incorporating satellite offerings into the FCC's revised universal service regime, stating that satellite providers can “address[] the most costly areas of the country to minimize the

⁷ See NPRM at ¶¶ 30-31.

⁸ See NPRM at ¶¶ 30-31.

⁹ See NPRM at ¶¶ 30-31.

¹⁰ See NPRM at ¶ 30 n.55.

¹¹ NPRM at ¶¶ 145-49.

¹² See, e.g., *High-Cost Universal Service Support*, WC Docket No. 05-337, Comments of the Satellite Industry Association (filed July 2, 2007).

¹³ National Broadband Plan at 137.

contribution burden on consumers across America.”¹⁴ Similarly, in the FCC’s pending Connect America Fund proceeding, the Commission recognized that “currently unserved areas may be more economically served by satellite”¹⁵ and that “satellites are ideally suited to serve housing units that are the most expensive to reach via terrestrial technologies (assuming available coverage and capacity), because there is little marginal cost to add a subscriber, assuming capacity is available.”¹⁶ The FCC has likewise noted that levels of participation in the Lifeline program vary widely across states due, in part, to a lack of service options,¹⁷ which is a problem that satellite offerings can immediately address in a cost-effective manner.

Satellite services can be used to bring high-quality and affordable service to all low-income consumers, including those that live in areas that are unduly expensive for terrestrial providers to serve. Satellite providers are largely immune from the considerations that drive up service costs in rural areas for terrestrial telecommunications technologies, such as rough terrain and low population density.

Moreover, Iridium, as the only mobile satellite service provider offering coverage over the entire globe, will play a role in extending communications services to all Americans. Unlike traditional terrestrial communications services, Iridium’s service covers the entire U.S. rural population and provides mobile connectivity throughout the country. Iridium currently provides essential communications connectivity even in the most remote environments that terrestrial networks are unlikely to ever adequately cover. Using the world’s largest commercial satellite

¹⁴ National Broadband Plan at 150.

¹⁵ NPRM at ¶ 428.

¹⁶ See *Connect America Fund*, WC Docket No. 10-90, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, FCC 11-13, at ¶ 424 (rel. Feb. 9, 2011); *id.* at ¶ 272 (“[S]atellites are well suited to serve housing units that are the most expensive to reach for terrestrial technologies.”).

¹⁷ National Broadband Plan at 172.

constellation, which consists of sixty-six low-Earth orbiting (“LEO”), cross-linked satellites operating as a fully meshed network and supported by multiple in-orbit spares, Iridium offers satellite communications coverage of the entire Earth’s surface. Iridium already serves more than 383,000 subscribers worldwide, and in some parts of the world, Iridium is the only available communications connection.

Additionally, Iridium’s next generation constellation, Iridium NEXT, anticipated to begin launching in early 2015, will continue to enhance the company’s services. Iridium NEXT will give Iridium the capability to meet rapidly expanding demand for mobile voice and data communications in all locations, including in the most rural and remote environments. As such, American consumers throughout the country will benefit from the new and enhanced services that Iridium NEXT will offer.

Unless the FCC gives low-income consumers a meaningful opportunity to use Lifeline and Link Up discounts to obtain Iridium’s satellite offerings, eligible consumers living in areas of the country with no or limited access to terrestrial services will be unable to benefit from the very programs intended to meet their needs. It will also deprive them of the important, pro-consumer benefits that additional competition can bring. Indeed, the National Broadband Plan specifically recommended that the FCC expand provider eligibility for the Lifeline and Link Up programs to include satellite providers.¹⁸ Iridium urges the FCC to adopt this recommendation.

Moving forward, it is critical that the FCC avoid adopting any rules that have a disproportionate impact on satellite providers or fail to take full advantage of the benefits that federally discounted satellite offerings can provide. For example, the FCC must consider satellite providers’ cost structures and ensure that its rules adequately compensate satellite

¹⁸ National Broadband Plan at 173.

providers for discounts they provide to eligible, low-income consumers. The Link Up program in particular should cover any discounts that are used to install facilities necessary to connect a low-income consumer to eligible satellite offerings.

Moreover, given the important cost-savings and other competitive benefits satellite providers can bring to the Lifeline and Link Up programs, the FCC should not adopt any service rules or metrics that are inconsistent with the capabilities of satellite providers. Allowing low-income consumers, especially those in rural areas and Tribal lands that might lack access to any other voice or broadband platform, to obtain affordable offerings must be a paramount goal.

Iridium also urges the FCC to consider carefully its proposal to eliminate Lifeline and Link Up discounts for services that go unused for more than 60 days.¹⁹ While the FCC proposes that a consumer's failure to use his or her service for 60 days may reasonably be used as a proxy for service discontinuation, Iridium is not persuaded that this 60-day period is an appropriate proxy for satellite services. As a true lifeline offering, consumers may not use a satellite service every two months, but that does not diminish the fundamental need for low-income consumers to have access to the offering, particularly when public safety or other emergency situations arise.

Iridium also commends the Commission for seeking comment on whether it should forbear from Section 214's facilities-based requirement for purposes of the Lifeline and Link Up programs.²⁰ As the NPRM observes, the Commission has granted forbearance eight times to carriers seeking to participate in the Lifeline program.²¹ Applying these determinations on a

¹⁹ See NPRM at ¶¶ 6, 82.

²⁰ NPRM at ¶ 304.

²¹ NPRM at ¶ 304.

broader basis to any satellite provider that may need such relief would be entirely appropriate and consistent with the Communications Act and the FCC's universal service goals.²²

III. CONCLUSION

Iridium fully supports the important goals of the FCC's Lifeline and Link Up programs. Iridium also appreciates the FCC's effort to balance the goal of expanding and maintaining services for low-income consumers with the FCC's need to control the size of the universal service program. Therefore, Iridium urges the FCC's to recognize the key role that satellite offerings can play in balancing these interests.

Respectfully submitted,

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²² See 47 U.S.C. §§ 160, 214, 254.